

Executive Summary – Enforcement Matter – Case No. 45291
Sid Richardson Carbon, LTD.
RN100222413
Docket No. 2012-2164-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Sid Richardson Carbon Borger Plant, 9455 Farm-to-Market Road 1559, Borger, Hutchinson County

Type of Operation:

Carbon black manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: June 14, 2013

Comments Received: No

Penalty Information

Total Penalty Assessed: \$10,431

Amount Deferred for Expedited Settlement: \$2,086

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$8,345

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and September 2011

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RN100222413
Docket No. 2012-2164-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 11, 2012, November 7, 2012 and November 8, 2012

Date(s) of NOE(s): October 10, 2012 and January 25, 2012

Violation Information

1. Failed to submit an initial notification for Incident No. 168666 no later than 24 hours after the discovery of the emissions event. Specifically, the emissions event occurred on May 19, 2012, but the initial notification was not submitted until May 21, 2012 [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, during an emissions event that occurred on May 19, 2012 and lasted seven hours and 35 minutes (Incident No. 168666), Respondent released 329.71 pounds ("lbs") of carbon monoxide, 24.26 lbs of nitrogen oxides, 32.49 lbs of particulate matter, 928.36 lbs of sulfur dioxide, 1.58 lbs of carbon disulfide, 4.73 lbs of carbon disulfide, 4.73 lbs of hydrogen sulfide, and 13.28 lbs of volatile organic compounds from Flare-2. This emissions event occurred because the Unit 2 Primary Bag Filter valve malfunctioned and caused the offgas to be routed to Flare-2. Since this emissions event was reported late, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1A].

3. Failed to identify the individually listed compounds or mixtures of air contaminants released during the emissions event that occurred on August 7, 2012 (Incident No. 171999). Specifically, the final emissions event report failed to include particulate matter with diameters less than 10 micrometers ("PM₁₀"), carbon black, during the event [30 TEX. ADMIN. CODE § 101.201(b)(1)(G) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions. Specifically, during an emissions event that occurred on August 7, 2012, and lasted twenty minutes (Incident No. 171999), Respondent released 991.61 lbs of PM₁₀, carbon black, from Plant 1 Secondary Filter Stack, Emission Point No. ("EPN")-2. Also, the emissions event resulted in 100% opacity from EPN-2 for twenty minutes and the permit limits the opacity to 15% averaged over a 6-minute period. This emissions event occurred because the Unit 2 Secondary Bag Filter housing was mechanically damaged due to overload and overpressure causing a crack. Since the final report for this emissions event was incomplete, Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions Nos. 1A and 2].

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5. Failed to report completely and adequately all instances of deviations. Specifically, Respondent failed to include five upset events and the late submittal of a previous semi-annual deviation report on the semi-annual deviation report covering the period of September 20, 2010 through March 19, 2011 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-1414, General Terms and Conditions].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

Respondent has implemented the following corrective measures:

- a. By August 8, 2012, trained operators to ensure the timely submittals of emissions event reports; and
- b. By May 21, 2012, implemented a routine preventive maintenance program to prevent reoccurrence of similar emissions events as Incident No. 168666.

Technical Requirements:

The Order will require Respondent to:

- a. Within 30 days:
 - i. Implement measures designed to prevent recurrences of emissions events due to similar causes as Incident No. 171999;
 - ii. Implement procedures to ensure that reportable emissions event notifications are submitted completely and accurately; and
 - iii. Implement measures to ensure that all deviation reports are submitted completely and accurately.
- b. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

Executive Summary – Enforcement Matter – Case No. 45291
Sid Richardson Carbon, LTD.
RN100222413
Docket No. 2012-2164-AIR-E

TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: N/A

Respondent: Long Nguyen, Environmental, Health and Safety Manager, Sid
Richardson Carbon, LTD., 201 Main Street, Suite 3000, Fort Worth, Texas 76102
A. Riaz Bismilla, Vice President, Production, Sid Richardson Carbon, LTD., 201 Main
Street, Suite 3000, Fort Worth, Texas 76102

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	31-Jan-2013	PCW	20-Feb-2013	Screening	7-Feb-2013	EPA Due	22-Oct-2013
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RESPONDENT/FACILITY INFORMATION

Respondent	Sid Richardson Carbon, LTD.
Reg. Ent. Ref. No.	RN100222413
Facility/Site Region	1-Amarillo
Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	45291	No. of Violations	4
Docket No.	2012-2164-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
Admin. Penalty \$ Limit Minimum	\$0	EC's Team	Enforcement Team 4
Maximum	\$25,000		

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$8,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	27.0% Enhancement	Subtotals 2, 3, & 7	\$2,160
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Notes

Enhancement for one agreed order with denial of liability, one NOV with same/similar violations, and one NOV with dissimilar violations.

Culpability

No

0.0% Enhancement

Subtotal 4

\$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments

Subtotal 5

\$999

Economic Benefit

0.0% Enhancement*

Subtotal 6

\$0

Total EB Amounts

\$116

Approx. Cost of Compliance

\$4,250

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$9,161

OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

\$9,161

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$9,161

DEFERRAL

20.0%

Reduction

Adjustment

-\$1,832

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$7,329

Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 2 (September 2002)

Case ID No. 45291

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 27%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one agreed order with denial of liability, one NOV with same/similar violations, and one NOV with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 27%

Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 3 (September 2011)

Case ID No. 45291

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to submit an initial notification for Incident No. 168666 no later than 24 hours after the discovery of the emissions event. Specifically, the emissions event occurred on May 19, 2012, but the initial notification was not submitted until May 21, 2012.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			X

Percent 1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

80 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$62

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent completed corrective actions by August 8, 2012, prior to the October 10, 2012 Notice of Enforcement.

Violation Subtotal \$188

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$8

Violation Final Penalty Total \$256

This violation Final Assessed Penalty (adjusted for limits) \$256

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$750	20-May-2012	8-Aug-2012	0.22	\$8	n/a	\$8
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for training operators to ensure the timely submittals of emissions event reports. The Date Required is the date the initial notification was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$750

TOTAL

\$8

Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 3 (September 2011)

Case ID No. 45291

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), Tex. Health & Safety Code § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1A

Violation Description

Failed to prevent unauthorized emissions. Specifically, during an emissions event that occurred on May 19, 2012 and lasted seven hours and 35 minutes (Incident No. 168666), the Respondent released 329.71 pounds ("lbs") of carbon monoxide, 24.26 lbs of nitrogen oxides, 32.49 lbs of particulate matter, 928.36 lbs of sulfur dioxide, 1.58 lbs of carbon disulfide, 4.73 lbs of carbon disulfide, 4.73 lbs of hydrogen sulfide, and 13.28 lbs of volatile organic compounds from Flare-2. This emissions event occurred because the Unit 2 Primary Bag Filter valve malfunctioned and caused the offgas to be routed to Flare-2. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions by May 21, 2012, prior to the October 10, 2012 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,826

This violation Final Assessed Penalty (adjusted for limits) \$3,826

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	19-May-2012	21-May-2012	0.01	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to implement a routine preventive maintenance program to prevent a reoccurrence of similar emissions events. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$0

Screening Date 7-Feb-2013
Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media [Statute] Air
Enf. Coordinator Rajesh Acharya

Docket No. 2012-2164-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 101.201(b)(1)(G) and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to identify the individually listed compounds or mixtures of air contaminants released during the emissions event that occurred on August 7, 2012 (Incident No. 171999). Specifically, the final emissions event report failed to include particulate matter with diameters less than 10 micrometers ("PM10"), carbon black, during the event.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor
			x

Percent 1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1

1 **Number of violation days**

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$26

Violation Final Penalty Total \$318

This violation Final Assessed Penalty (adjusted for limits) \$318

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$500	21-Aug-2012	7-Sep-2013	1.05	\$26	n/a	\$26
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost for improving the training procedures for the recordkeeping/reporting system to comply with emissions event reporting requirements. Date Required is the date the final record was due. Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$26

Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 3 (September 2011)

Case ID No. 45291

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3) and 116.115(c), Tex. Health & Safety Code § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions Nos. 1A and 2

Violation Description

Failed to prevent unauthorized emissions. Specifically, during an emissions event that occurred on August 7, 2012, and lasted twenty minutes (Incident No. 171999), the Respondent released 991.61 pounds of PM10, carbon black, from Plant 1 Secondary Filter Stack, Emission Point No. ("EPN")-2. Also, the emissions event resulted in 100% opacity from EPN-2 for twenty minutes and the permit limits the opacity to 15% averaged over a 6-minute period. This emissions event occurred because the Unit 2 Secondary Bag Filter housing was mechanically damaged due to overload and overpressure causing a crack. Since the final report for this emissions event was incomplete, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$81

Violation Final Penalty Total \$4,763

This violation Final Assessed Penalty (adjusted for limits) \$4,763

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	7-Aug-2012	7-Sep-2013	1.08	\$81	n/a	\$81

Notes for DELAYED costs

Estimated cost to implement a routine preventive maintenance program to prevent a reoccurrence of similar emissions events. Date Required is the date the emissions event began. Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$81



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	31-Jan-2013	Screening	7-Feb-2013	EPA Due	
	PCW	20-Feb-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	Sid Richardson Carbon, LTD.		
Reg. Ent. Ref. No.	RN100222413		
Facility/Site Region	1-Amarillo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	45291	No. of Violations	1
Docket No.	2012-2164-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$1,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	27.0% Enhancement	Subtotals 2, 3, & 7	\$270
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Notes	Enhancement for one agreed order with denial of liability, one NOV with same/similar violations, and one NOV with dissimilar violations.		
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Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes	The Respondent does not meet the culpability criteria.		
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Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$60	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$500	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$1,270
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes		Final Penalty Amount	\$1,270
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$1,270
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DEFERRAL	20.0% Reduction	Adjustment	-\$254
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes	Deferral offered for expedited settlement.		
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PAYABLE PENALTY	\$1,016
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Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 3 (September 2011)

Case ID No. 45291

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 27%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one agreed order with denial of liability, one NOV with same/similar violations, and one NOV with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 27%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 27%

Screening Date 7-Feb-2013

Docket No. 2012-2164-AIR-E

PCW

Respondent Sid Richardson Carbon, LTD.

Policy Revision 2 (September 2002)

Case ID No. 45291

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100222413

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-1414, General Terms and Conditions

Violation Description

Failed to report completely and adequately all instances of deviations. Specifically, the Respondent failed to include five upset events and the late submittal of a previous semi-annual deviation report on the semi-annual deviation report covering the period of September 20, 2010 through March 19, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor
		x	

Percent 10%

Matrix Notes

50% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

661 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$1,000

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$60

Violation Final Penalty Total \$1,270

This violation Final Assessed Penalty (adjusted for limits) \$1,270

Economic Benefit Worksheet

Respondent Sid Richardson Carbon, LTD.
Case ID No. 45291
Reg. Ent. Reference No. RN100222413
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	18-Apr-2011	7-Sep-2013	2.39	\$60	n/a	\$60

Notes for DELAYED costs

Estimated cost to implement measures to ensure complete and accurate submittal of deviation reports. Date Required is the date the deviation report was due. Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$60



Compliance History Report

PUBLISHED Compliance History Report for CN600131171, RN100222413, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN600131171, Sid Richardson Carbon, LTD **Classification:** SATISFACTORY **Rating:** 12.25

Regulated Entity: RN100222413, SID RICHARDSON CARBON BORGER PLANT **Classification:** SATISFACTORY **Rating:** 12.88

Complexity Points: 15 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 9455 FM 1559 BORGER, TX 79007, HUTCHINSON COUNTY

TCEQ Region: REGION 01 - AMARILLO

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HW0017R

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 37420

WASTEWATER PERMIT WQ0000812000

AIR NEW SOURCE PERMITS PERMIT 1867A

AIR NEW SOURCE PERMITS REGISTRATION 45755

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX1032

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HW0017R

AIR OPERATING PERMITS PERMIT 1414

POLLUTION PREVENTION PLANNING ID NUMBER P06699

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HW0017R

AIR NEW SOURCE PERMITS AFS NUM 4823300002

AIR NEW SOURCE PERMITS REGISTRATION 23162

STORMWATER PERMIT TXR05AH39

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: November 28, 2012

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 28, 2007 to November 28, 2012

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Rajesh Acharya

Phone: (512) 239-0577

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 11/06/2008 ADMINORDER 2008-0145-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to prevent the release of unauthorized air contaminants into the atmosphere from Unit No. 4 Flare System [emission point number ("EPN") 117] on December 20, 2006.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to prevent the release of unauthorized air contaminants into the atmosphere from Unit No. 4 Flare System (EPN 117) on February 18, 2007.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to prevent the release of unauthorized air contaminants into the atmosphere from Unit No. 1 Flare System (EPN 113) on March 17, 2007.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THSC Chapter 382 382.0518(a)
5C THSC Chapter 382 382.085(b)

Description: Failed to prevent the release of unauthorized air contaminants into the atmosphere from Unit No. 3 Flare System (EPN 116) on March 24, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)

Description: Failed to report all instances of deviations. Specifically, failure to report the 108 non-reportable emission events on the semiannual deviation report for the period covering September 19, 2006 to March 19, 2007.

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.7(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failed to test No. 3 Flare within 180 days. Specifically, testing was due by August 12, 2006.

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(3)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 12B PERMIT

Description: Failed to properly operate the flare by not having the pilot light lit at all times when emissions were vented to them. Specifically, during the non-reportable emission events of November 3, 2006, November 15, 2006 and November 16, 2006, the flare either failed to light or was slow to light.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	December 18, 2007	(598646)
Item 2	December 20, 2007	(598396)
Item 3	March 20, 2008	(637945)
Item 4	June 12, 2008	(614162)
Item 5	June 17, 2008	(683194)
Item 6	July 07, 2008	(682048)
Item 7	August 15, 2008	(687368)
Item 8	December 16, 2008	(708557)
Item 9	February 11, 2009	(725952)
Item 10	May 27, 2009	(746895)
Item 11	August 03, 2009	(763132)
Item 12	November 04, 2009	(780280)
Item 13	November 13, 2009	(776984)
Item 14	July 29, 2010	(843053)
Item 15	October 14, 2010	(866561)
Item 16	October 22, 2010	(871475)
Item 17	February 15, 2011	(894964)
Item 18	May 26, 2011	(921647)
Item 19	May 27, 2011	(922124)
Item 20	July 29, 2011	(943883)

Item 21	August 18, 2011	(948926)
Item 22	September 27, 2011	(956277)
Item 23	October 05, 2011	(958592)
Item 24	October 12, 2011	(958788)
Item 25	November 21, 2011	(968514)
Item 26	December 28, 2011	(976155)
Item 27	December 29, 2011	(975993)
Item 28	April 10, 2012	(996189)
Item 29	April 20, 2012	(997595)
Item 30	June 01, 2012	(1009021)
Item 31	June 07, 2012	(1009759)
Item 32	June 12, 2012	(1011493)
Item 33	June 29, 2012	(1013373)
Item 34	July 03, 2012	(1015008)
Item 35	August 06, 2012	(1022473)
Item 36	September 25, 2012	(1030940)
Item 37	October 08, 2012	(1035975)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/18/2012	(1006496)	CN600131171	
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 335, SubChapter A 335.4 5C THSC Chapter 382 382.085(b)			
	Description:	Failure to prevent the unauthorized discharge of a solid waste			
2	Date:	07/13/2012	(1019714)	CN600131171	
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(C) 5C THSC Chapter 382 382.085(b)			
	Description:	Failed to comply with 5C THSC §382.085(b) and 30 TAC §122.145(2)(c).			

F. Environmental audits:

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
SID RICHARDSON CARBON,
LTD.
RN100222413**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2012-2164-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Sid Richardson Carbon, LTD. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a carbon black manufacturing plant at 9455 Farm-to-Market Road 1559 in Borger, Hutchinson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about October 15, 2012 and January 30, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Four Hundred Thirty-One Dollars (\$10,431) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eight Thousand Three Hundred

- Forty-Five Dollars (\$8,345) of the administrative penalty and Two Thousand Eighty-Six Dollars (\$2,086) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
 8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
 9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By August 8, 2012, trained operators to ensure the timely submittals of emissions event reports; and
 - b. By May 21, 2012, implemented a routine preventive maintenance program to prevent reoccurrence of similar emissions events as Incident No. 168666.
 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit an initial notification for Incident No. 168666 no later than 24 hours after the discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 11, 2012. Specifically, the emissions event occurred on May 19, 2012, but the initial notification was not submitted until May 21, 2012.
2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions No. 1A, as documented during an

investigation conducted on September 11, 2012. Specifically, during an emissions event that occurred on May 19, 2012 and lasted seven hours and 35 minutes (Incident No. 168666), the Respondent released 329.71 pounds ("lbs") of carbon monoxide, 24.26 lbs of nitrogen oxides, 32.49 lbs of particulate matter, 928.36 lbs of sulfur dioxide, 1.58 lbs of carbon disulfide, 4.73 lbs of carbon disulfide, 4.73 lbs of hydrogen sulfide, and 13.28 lbs of volatile organic compounds from Flare-2. This emissions event occurred because the Unit 2 Primary Bag Filter valve malfunctioned and caused the offgas to be routed to Flare-2. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

3. Failed to identify the individually listed compounds or mixtures of air contaminants released during the emissions event that occurred on August 7, 2012 (Incident No. 171999), in violation of 30 TEX. ADMIN. CODE § 101.201(b)(1)(G) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigations conducted on November 7 and November 8, 2012. Specifically, the final emissions event report failed to include particulate matter with diameters less than 10 micrometers ("PM10"), carbon black, during the event.
4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and Permit Nos. 1867A and PSDTX1032, Special Conditions Nos. 1A and 2, as documented during an investigations conducted on November 7 and November 8, 2012. Specifically, during an emissions event that occurred on August 7, 2012, and lasted twenty minutes (Incident No. 171999), the Respondent released 991.61 lbs of PM10, carbon black, from Plant 1 Secondary Filter Stack, Emission Point No. ("EPN")-2. Also, the emissions event resulted in 100% opacity from EPN-2 for twenty minutes and the permit limits the opacity to 15% averaged over a 6-minute period. This emissions event occurred because the Unit 2 Secondary Bag Filter housing was mechanically damaged due to overload and overpressure causing a crack. Since the final report for this emissions event was incomplete, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. Failed to report completely and adequately all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit No. O-1414, General Terms and Conditions, as documented during an investigations conducted on November 7 and November 8, 2012. Specifically, the Respondent failed to include five upset events and the late submittal of a previous semi-annual deviation report on the semi-annual deviation report covering the period of September 20, 2010 through March 19, 2011.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Sid Richardson Carbon, LTD., Docket No. 2012-2164-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement measures designed to prevent recurrences of emissions events due to similar causes as Incident No. 171999;
 - ii. Implement procedures to ensure that reportable emissions event notifications are submitted completely and accurately; and
 - iii. Implement measures to ensure that all deviation reports are submitted completely and accurately.
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Jones
For the Executive Director

7/1/13
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

R. Bismilla
Signature

4/8/13
Date

A. Riaz Bismilla
Name (Printed or typed)
Authorized Representative of
Sid Richardson Carbon, LTD.

VP Production
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.